



EXHIBIT 6
DATE 2/15/07
HB 516

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LEGISLATIVE POSITION STATEMENT

HOUSING AFFORDABILITY

Housing prices are rising in many communities throughout Montana. Consequently, the American Dream of homeownership is beyond the reach of many in Montana.

Housing is affordable, or is "attainable," when people who work in the community can obtain decent, safe housing in that community without undue financial burden and when home ownership is an achievable aspiration for a broad range of households. Lack of housing supply drives up housing prices and places homes out of reach of many families hoping to buy their first home.

Growing public restrictions on development, coupled with decreasing financial resources of many communities for making needed infrastructure improvements, contribute to rising housing costs. Production and rehabilitation of housing has become more difficult, more time consuming, and therefore more expensive.

Availability of housing for all income levels is absolutely necessary for balanced and healthy growth of the state and its individual communities. Available and suitably located housing is critical to workforce recruitment and performance. A community's workers must be able to afford a place to live, while their employers need to attract and maintain a workforce with salaries that allow their companies to stay competitive in the global market. When fewer people can afford housing, it becomes increasingly difficult for companies to attract and retain a qualified workforce. Our ability to maintain a healthy economy requires a sufficient supply of housing that is affordable to workers.

SUPPLY AND DEMAND OF HOUSING

The price of housing, like that of any other economic good, results from the interplay between supply and demand. An increase in demand for housing bids up the prices of currently available homes. Land use and growth controls have distorted this natural economic process by imposing regulatory requirements that delay new housing construction and raise development and construction expenses.

REGULATORY REFORM

Government regulations and fees can add to the cost of housing. Government should recognize that fees, compliance costs, and additional interest charges add significantly to the final cost of a home. Implementing the following recommendations can reduce housing costs:

1. Public policy relative to environmental protection should prioritize environmental concerns and take into account the overall impact of protection programs and implementing regulations on the cost of housing.



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1. Public policy relative to environmental protection should prioritize environmental concerns and take into account the overall impact of protection programs and implementing regulations on the cost of housing.

2. Local and state governments should provide more predictability and accountability in the land use and development approval process in order to reduce the delays, uncertainties, and risks of housing production.
3. Development standards should not exceed reasonable requirements to assure public health, safety, and welfare.
4. Local governments should adopt procedures for equitably allocating the cost of infrastructure associated with new development, without unfairly burdening new homeowners with costs more appropriately shared by all taxpayers.

Governments should recognize the additional costs imposed through transfer taxes, impact fees, local land use regulations, and the subdivision review process impair the market's ability to ensure affordable housing for all economic segments of the community. Where possible, they should avoid imposing additional costs on housing.